

**ARTICLES OF INCORPORATION  
OF  
[NEW PREMIERA CORP.]**

**ARTICLE I  
NAME**

The name of this corporation is [New PREMIERA Corp.] (the “Corporation”).

**ARTICLE II  
CAPITAL STOCK**

**Section 1      Capital Stock.** The total number of shares of all classes of stock which the ~~corporation~~ Corporation shall have authority to issue is \_\_\_\_\_  
(~~one~~) one hundred million one (100,000,001) shares, which shall consist of  
\_\_\_\_\_  
(~~a~~) ninety million (90,000,000) shares of common stock,  
no par value per share (the “**Common Stock**”), ~~and (b)~~ \_\_\_\_\_  
(~~one~~); (b) one (1) share of Class B common stock, no par value per share (the “Class B  
Common Stock”); and (c) ten million (10,000,000) shares of preferred stock, no par value per  
share (the “Preferred Stock”).

**Section 2      Common Stock and Class B Common Stock.**

(a)      Powers and Preferences. The powers, preferences and rights and the qualifications, limitations and restrictions with respect to the Common Stock and the Class B Common Stock shall be identical in all respects, except as provided below in this **Section 2** or as otherwise required by law.

(b)      Limitations on Ownership. The Class B Common Stock shall only be issuable to [Washington Foundation Shareholder], a Washington nonprofit corporation (the “**Washington Foundation Shareholder**”). The Washington Foundation Shareholder may not Transfer (as defined in **Article IV, Section 1** hereof) the Class B Common Stock to any Person (as defined in **Article IV, Section 1** hereof), and any attempted Transfer shall be null and void.

(c)      Dividends. Subject to the preferential rights, if any, of any outstanding shares of Preferred Stock, the holders of shares of Common Stock and Class B Common Stock shall be entitled to receive, when, if and to the extent declared by the Board of Directors, out of the assets of the Corporation which are by law available therefor, dividends or distributions payable either in cash, in property, or in stock.

(d)      Voting Rights.

(1)      At every annual or special meeting of shareholders of the Corporation, every holder of shares of Common Stock and Class B Common Stock shall be entitled to one (1) vote for each share of Common Stock or Class B Common Stock standing in his or her name on

the books of the Corporation, and shall vote together as a single class on all matters on which a vote of shareholders is to be taken, except as otherwise required by law or by subparagraph (2) below.

(2) Subject to the provisions of the next sentence hereof, the affirmative vote of the Washington Foundation Shareholder, as the holder of the Class B Common Stock, shall be required for (i) a recapitalization or restructuring of the Capital Stock of the Corporation; (ii) the creation of a new class of Capital Stock of the Corporation or the creation of a series of Preferred Stock (as defined in **Article II, Section 1**); or (iii) the issuance of additional shares of Capital Stock (including without limitation, as to any of the foregoing, by means of an amendment to these Articles of Incorporation) that, in any of cases (i), (ii) or (iii), would adversely affect the financial interests, voting rights, or Transferability of the Washington Foundation Shareholder's shares of Capital Stock, as such interests, voting rights and Transferability exist pursuant to these Articles of Incorporation, the Voting Trust and Divestiture Agreements and the Registration Rights Agreement. It is understood that the foregoing will not apply to, and the affirmative vote of the Washington Foundation Shareholder, as the holder of the Class B Common Stock, shall not be required for: (1) the creation, authorization or issuance of shares of Capital Stock to acquire the assets or stock of a Person (whether by asset or stock purchase, merger or otherwise) provided such transaction is approved by an Independent Board Majority, or any recapitalization or restructuring of the Capital Stock or amendment to these Articles of Incorporation in connection with a merger to which the Corporation is a party and which constitutes an Approved Change of Control Proposal (as defined in the Voting Trust and Divestiture Agreements); (2) the creation, authorization or issuance of additional shares of Capital Stock for stock option plans and other equity-based compensation plans that are approved by an Independent Board Majority; (3) any creation, authorization or issuance of non-convertible indebtedness; (4) the creation, authorization or issuance of a series of Preferred Stock and the authorization or issuance of additional shares of Capital Stock for a shareholder rights plan; (5) the creation, authorization and issuance of Capital Stock or other securities convertible or exchangeable into Capital Stock for underwritten public offerings and offerings pursuant to Rule 144A (promulgated under the Securities Act (as defined **Article IV, Section 1** hereof)) of securities at or above market price (it being understood that an offering at a customary discount to then-prevailing market prices will be deemed for this purpose to be at market price), except that approval of the Washington Foundation Shareholder, as the holder of the Class B Common Stock, will be required if the securities have (or upon conversion or exchange could have) a class vote (other than a customary class vote to elect directors arising from the failure to make scheduled dividend payments and other than as required by applicable law) or the securities are (or upon conversion could be) senior in right of payment to the Capital Stock held by the Washington Foundation Shareholder; or (6) from and after the fifth anniversary of the closing date of an initial underwritten public offering of Common Stock, the creation, authorization and issuance of a series of Preferred Stock for sale in public or private transactions. It is also understood that the affirmative vote of the Washington Foundation Shareholder, as the holder of the Class B Common Stock, in respect of the matters referenced in this subsection (b) shall not be required from and after the time that the share of Class B Common Stock shall have been converted into Common Stock as provided in **Section 2(f)** of this Article II below.

(3) In the event the Corporation engages in (i) a recapitalization or restructuring of the Capital Stock of the Corporation; (ii) the creation of a new class of Capital Stock of the Corporation or the creation of a series of Preferred Stock; (iii) the issuance of additional shares of Capital Stock (including without limitation, as to any of the foregoing, by means of an amendment to these Articles of Incorporation) that, in any cases (i), (ii) or (iii) would adversely affect the financial interests, voting rights, or Transferability of the Washington Foundation Shareholder's shares of Capital Stock as such interests, voting rights and Transferability exist pursuant to these Articles of Incorporation, the Voting Trust and Divestiture Agreements or the Registration Rights Agreement, such action shall be taken in a manner consistent with the fiduciary obligations that the Board of Directors of the Corporation owes to its shareholders upon advice of outside counsel.

(e) Liquidation, Dissolution, or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and of the preferential amounts, if any, to which the holders of any Preferred Stock shall be entitled, the holders of all outstanding shares of Common Stock and Class B Common Stock shall be entitled to share ratably in the remaining net assets of the Corporation.

(f) Conversion of Class B Common Stock

(1) At the time the Washington Foundation Shareholder fails to be the record holder or the Beneficial Owner (as defined in **Article IV, Section 1** hereof) of 5% or more of the issued and outstanding shares of Capital Stock, any then issued and outstanding share of Class B Common Stock automatically shall convert into one (1) share of Common Stock.

(2) The Corporation will provide notice of any automatic conversion of the Class B Common Stock to the Washington Foundation Shareholder, as the holder of the Class B Common Stock, as soon as practicable following such conversion. Such notice shall be provided by mailing notice of such conversion first class postage prepaid to the Washington Foundation Shareholder at its address as it appears on the books of the Corporation; *provided, however*, that no failure to give such notice nor any defect therein shall affect the validity of the automatic conversion of the Class B Common Stock. Such notice shall state: (i) the automatic conversion date; (ii) that the Class B Common Stock has been automatically converted; and (iii) the place where the certificate evidencing the Class B Common Stock is to be surrendered for conversion.

(3) Immediately upon such conversion, the rights of the Washington Foundation Shareholder, as the holder of the Class B Common Stock so converted, shall cease and the Washington Foundation Shareholder shall be treated for all purposes as having become the record owner of the Common Stock issuable upon such conversion; *provided, however*, that the Washington Foundation Shareholder, as the former holder of the Class B Common Stock, shall be entitled to receive when paid dividends, if any, declared on the Class B Common Stock as of a record date preceding the time of such conversion and unpaid as of the time of such conversion, subject to paragraph (4) below.

(4) Upon any conversion of the Class B Common Stock into Common Stock, any dividend for which the record date or payment date shall be subsequent to such conversion, which may have been declared preceding the time of conversion on the Class B Common Stock so converted, shall be deemed to have been declared, and shall be payable, with respect to the Common Stock into which the Class B Common Stock shall have been converted.

(5) When Class B Common Stock is acquired by the Corporation, including, without limitation, upon conversion into Common Stock, such stock may not be reissued and shall be retired and cancelled.

(6) The Corporation shall at all times reserve and keep available, for issuance upon the conversion of the Class B Common Stock free from any preemptive rights, Common Stock necessary to permit the conversion of the Class B Common Stock into Common Stock. The Corporation covenants that the Common Stock issuable upon conversion of the Class B Common Stock shall be validly issued, fully paid and non-assessable.

(7) Promptly after the conversion, the Corporation shall deliver to the Washington Foundation Shareholder, upon surrender for cancellation of the certificate representing the Class B Common Stock so converted, a certificate representing the Common Stock issuable upon the conversion of the Class B Common Stock into Common Stock in the name of the Washington Foundation Shareholder or its nominee. Until surrendered as provided herein, from and after the conversion of Class B Common Stock into Common Stock, the certificate representing Class B Common Stock prior to the conversion into Common Stock shall thereupon be deemed for all corporate purposes to evidence ownership of Common Stock.

(8) The issuance of the certificate for Common Stock upon the conversion of Class B Common Stock into Common Stock shall be made without charge to the Washington Foundation Shareholder for any issuance tax in respect thereof or other costs incurred by the Corporation in connection with such conversion and the related issuance of the Common Stock.

(g) Conversion in a Merger. In any merger to which the Corporation is a party in which the Common Stock is converted into cash, stock of another Person or other property, any outstanding Class B Common Stock shall be converted into the same per share consideration as the Common Stock.

**Section 3 Preferred Stock.** The Board of Directors shall have the full authority permitted by law, subject to the provisions of Section 2(d)(2) of this Article II, to divide the authorized and unissued shares of Preferred Stock into classes or series, or both, and to provide for the issuance of such shares in an aggregate amount not exceeding, in the aggregate, the number of shares of Preferred Stock authorized by these Articles of Incorporation, as amended from time to time; and to determine with respect to each such class and/or series the voting powers, if any (which voting powers, if granted, may be full or limited), designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions relating thereto, including, without limiting the generality of the foregoing, the voting rights relating to shares of Preferred Stock of any class and/or series (which

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may be one or more votes per share or a fraction of a vote per share, which may vary over time and which may be applicable generally or only upon the happening and continuance of stated events or conditions), the rate of dividend to which holders of Preferred Stock of any class and/or series may be entitled (which may be cumulative or noncumulative), the rights of holders of Preferred Stock of any class and/or series in the event of liquidation, dissolution or winding up of the affairs of the ~~corporation~~Corporation, the rights, if any, of holders of Preferred Stock of any class and/or series to convert or exchange such shares of Preferred Stock of such class and/or series for shares of any other class or series of ~~capital-stock~~Capital Stock (as defined in [Article IV, Section 1 hereof](#)) or for any other securities, property or assets of the ~~corporation~~Corporation or any subsidiary (including the determination of the price or prices or the rate or rates applicable to such rights to convert or exchange and the adjustment thereof, the time or times during which the right to convert or exchange shall be applicable and the time or times during which a particular price or rate shall be applicable), whether or not the shares of that class and/or series shall be redeemable, and if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates, and whether any shares of that class and/or series shall be redeemed pursuant to a retirement or sinking fund or otherwise and the terms and conditions of such obligation.

Before the ~~corporation~~Corporation shall issue any shares of Preferred Stock of any class and/or series, articles of amendment in a form meeting the requirements of the Washington Business Corporation Act, as amended from time to time (the “Act”), setting forth the terms of the class and/or series and fixing the voting powers, designations, preferences, the relative, participating, optional or other special rights, if any, and the qualifications, limitations and restrictions, if any, relating to the shares of Preferred Stock of such class and/or series, and the number of shares of Preferred Stock of such class and/or series authorized by the Board of Directors to be issued shall be filed with the Secretary of State of the State of Washington in the manner prescribed by the Act, and shall become effective without any shareholder action. The Board of Directors is further authorized to increase or decrease (but not below the number of such shares of such series then outstanding nor above the aggregate number of shares of Preferred Stock authorized by these Articles of Incorporation) the number of shares of any class or series subsequent to the issuance of shares of that class or series.

**Section 2-4 Issuance of Stock by the Corporation.** The shares of stock of this ~~corporation~~Corporation may be issued by this ~~corporation~~Corporation from time to time for such consideration as from time to time may be fixed by the Board of Directors of this ~~corporation~~Corporation; and all issued shares of the ~~capital-stock~~Capital Stock of this ~~corporation~~Corporation shall be deemed fully paid and non-assessable.

**Section 5 Reliance on Registered Owner of Stock.** The Corporation shall be entitled to treat the Person in whose name any share of its Capital Stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such Capital Stock on the part of any other Person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

## ARTICLE III DIRECTORS

**Section 1 General Powers of Board of Directors.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the ~~corporation~~Corporation shall be managed under the direction of, the Board of Directors, except as otherwise provided by ~~the~~these Articles of Incorporation.

**Section 2 Quorum and Action.** At all meetings of the Board of Directors, a majority of the whole Board of Directors of the ~~corporation~~Corporation shall, unless a greater number as to any particular matter is required by the Act or other applicable law, constitute a quorum for the transaction of business, *provided, however*, that for any proposal that requires the approval of an Independent Board Majority, both a majority of the Independent Directors and a majority of the whole Board of Directors shall be necessary to constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the Act or other applicable law, the Bylaws or these Articles of Incorporation. The term “**whole Board of Directors of the ~~corporation~~Corporation**,” as used in these Articles of Incorporation, means the total number of directors which the ~~corporation~~Corporation would have as of the date of such determination if the Board of Directors of the ~~corporation~~Corporation had no vacancies.

### **Section 3 Number; Classes; Term; Initial Directors.**

(a) Number. The Board of Directors of the ~~corporation~~Corporation shall consist of no less than seven (7) or more than ~~thirteen (13)~~fourteen (14) directors, the exact number of directors to be determined in accordance with the Bylaws of the ~~corporation~~Corporation.

(b) Classes. The Board of Directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three classes, as nearly equal in number as possible. The classes designated shall be Class I, Class II and Class III. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case shall a decrease in the number of directors shorten the term of any incumbent director.

(c) Term. The initial term of office for Class I directors shall expire at the annual meeting of shareholders held in \_\_\_\_\_ [*fill in calendar year following conversion*], the initial term of office for Class II directors shall expire at the annual meeting of shareholders held in \_\_\_\_\_ [*fill in second calendar year following conversion*], and the initial term of office for Class III directors shall expire at the annual meeting of shareholders held in \_\_\_\_\_ [*fill in third calendar year following conversion*], and in each case as to all classes of directors, until their successors are duly elected and qualified. Upon expiration of their initial terms as specified herein, directors of each class shall serve three-year terms and until their successors are duly elected and qualified. A director shall hold office until the annual meeting for the year in which his or her term shall expire and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

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If, for any reason, the directors shall not have been elected at the designated annual meeting, they may be elected at a special meeting of shareholders called for that purpose in the manner provided by these Bylaws. Notwithstanding anything herein or in the Bylaws to the contrary, the Washington Foundation Shareholder shall, so long as it Beneficially Owns five percent (5%) or more of the issued and outstanding Capital Stock, but in no event for a period of time longer than five (5) years from the date of the Voting Trust and Divestiture Agreements and the [Alaska Health Foundation] (the “Alaska Health Foundation”) shall, so long as it Beneficially Owns five percent (5%) or more of the issued and outstanding Capital Stock, but in no event for a period of time longer than five (5) years from the date of the Voting Trust and Divestiture Agreements, be entitled to jointly nominate a Class II director in the manner specified by Section 5.03(b) of the Voting Trust and Divestiture Agreements.

(d) Term Limits. A director may be reelected to succeed to the next term of office as provided in Section 3(c) above, *provided, however*, that no director, other than the President and Chief Executive Officer ~~who serves as an ex-officio director~~, may serve for more than three (3) ~~consecution~~consecutive three-year terms (computed without regard to service on the board of directors of any predecessor organization to the ~~corporation~~Corporation and without regard to any shorter terms preceding the first of such three-year terms). A director who has completed service of three (3) consecutive three-year terms and who is therefore ineligible to serve another consecutive term shall be ineligible again to serve as a director until after the passage of at least two (2) full years following the expiration of his or her last term as a director of the ~~corporation~~Corporation.

(e) Initial Directors. The initial directors of the ~~corporation~~Corporation shall be as follows:

Class I:

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Class II:

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Class III:

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#### **Section 4      Qualifications for Directors; Independent Directors.**

(a)      Qualifications. No person shall be elected or appointed to the Board of Directors of the ~~corporation~~Corporation unless ~~(i)~~ such person has been nominated for election: ~~(i)~~ by the affirmative vote of an Independent Board Majority (as defined in **Section 4(b)(3)** of this Article) ~~or III); (ii) pursuant to Section 5.03(b) of the Voting Trust and Divestiture Agreements; or (iii)~~ in a manner which satisfies all the requirements specified in **Section 5** of this Article III, and ~~(ii)~~ either (x) such person would qualify as an Independent Director (as defined in **Section 4(b)(1)** of this Article III), or (y) immediately after giving effect to such election or appointment, at least 80% of the members of the whole Board of Directors of the ~~corporation~~Corporation would qualify as Independent Directors. In addition, at such time as the ~~corporation~~Corporation becomes publicly traded on a national securities exchange, the ~~corporation~~Corporation will comply with any rules of such exchange or the Securities Exchange Commission regarding independence of directors as may apply from time to time.

(b)      Definitions.

(1)      “**Independent Director**” means any person who, during the entirety of any term of service on the Board of Directors of the ~~corporation~~Corporation, satisfies each of the following conditions: (i) he or she shall be an Independent (as defined in **Section 4(b)(2)** of this Article III) at the time of his or her election or appointment, (ii) he or she shall have agreed in writing to remain an Independent for such term, and (iii) he or she remains an Independent for such term. ~~Each nominee for election (including re-election) to the Board of Directors shall, prior to the shareholders’ meeting at which such election is to be held, certify in writing to the corporation whether such nominee is Independent. If such nominee certifies that he or she is Independent, prior to the effectiveness of any nomination of such person as a candidate for director, such nominee shall agree in writing that, if elected, he or she shall serve only in the capacity of an Independent Director for the duration of the term for which he or she is elected and shall deliver to the corporation an irrevocable resignation as a director in form and substance satisfactory to the Independent Board Majority, such resignation to be effective automatically upon the occurrence of any event or condition which causes such person, if elected, to cease to be an Independent Director.~~



(2) “**Independent**” means a person who, at any given time, (i) shall not be a Major Participant (as defined in **Section 4(b)(4)** of this Article III), (ii) shall not have been nominated to the Board of Directors of the ~~corporation~~Corporation at the initiative of a Major Participant (other than as provided pursuant to Section 5.03(b) of the Voting Trust and Divestiture Agreements), (iii) shall not have announced a commitment to any proposal made by a Major Participant that has not been approved by an Independent Board Majority ~~and~~, (iv) shall not have been determined by an Independent Board Majority to have been subject to any relationship, arrangement or circumstance (including any relationship with a Major Participant) which, in the judgment of such Independent Board Majority, is reasonably possible or likely to interfere to an extent deemed unacceptable by such Independent Board Majority with his or her exercise of independent judgment as a director, and (v) shall qualify as an Independent Director under Article II, Section 4 of the Corporation’s Bylaws.

(3) “**Independent Board Majority**” means a group of directors comprised of (i) a majority of all directors who qualify as Independent Directors at the time of such determination and (ii) a majority of the directors present at a meeting of the Board of Directors at which a quorum is present.

(4) “**Major Participant**” means: (i) the Washington Foundation Shareholder and the Alaska Health Foundation, ~~its~~their affiliates, or a Person (as defined in ~~Section 1 of Article IV, Section 1~~ hereof) who shall, in the judgment of an Independent Board Majority, succeed to the position held by the Washington Foundation Shareholder or the Alaska Health Foundation, (ii) a Person who, except as provided in the next sentence, is an Excess Owner (as defined in ~~Section 1 of Article IV, Section 1~~ hereof), (iii) a Person that has filed proxy materials with the SEC (as defined in ~~Section 1 of Article IV, Section 1~~ hereof) supporting a candidate for election to the Board of Directors of the ~~corporation~~Corporation in opposition to candidates approved by an Independent Board Majority, (iv) a Person that has made a proposal, made a filing with the SEC or taken other actions in which such Person indicates that such Person may seek to become a Major Participant or which in the judgment of an Independent Board Majority indicates that it is reasonably possible or likely that such Person will seek to become a Major Participant, or (v) a Person who is an affiliate or associate (as defined in ~~Section 1 of Article IV, Section 1~~ hereof) of a Major Participant. Notwithstanding the foregoing, in the event that an Independent Board Majority shall have approved an acquisition of outstanding Capital Stock (as defined in ~~Section 1 of Article IV, Section 1~~ hereof) of the ~~corporation~~Corporation, prior to the time such acquisition shall occur, which would otherwise render a Person a Major Participant and such Person (a) shall not have made any subsequent acquisition of outstanding Capital Stock of the ~~corporation~~Corporation not approved by an Independent Board Majority and (b) shall not have subsequently taken any of the actions specified in the preceding sentence without the prior approval of an Independent Board Majority, then such Person shall not be deemed a Major Participant; provided that the Washington Foundation Shareholder, the Alaska Health Foundation and ~~its~~their affiliates and associates shall always be deemed Major Participants notwithstanding any approval of any acquisition of Capital Stock of the ~~corporation~~Corporation or any other development or fact of any kind. In the event there shall be any question as to whether a particular Person is a Major Participant, the determination of an Independent Board Majority shall be binding upon all parties concerned.

## Section 5      Nomination of Directors by Shareholders.

(a) Shareholders shall only be entitled to nominate individuals to be elected to the Board of Directors if such individuals are “**Qualified Candidates**” as set forth in this **Section 5** and if such individuals are otherwise qualified to be elected and to serve as directors pursuant to these Articles of Incorporation and the Bylaws of the ~~corporation~~ Corporation. In addition, shareholders may not nominate an individual to be elected to the Board of Directors if the nominee’s candidacy or election would violate state or federal law or the rules of a national securities exchange or association applicable to the Corporation (other than director independence standards that require a subjective determination by the board of directors or a board committee as to the nominee’s independence).

(b) In order for an individual to be a “**Qualified Candidate**,” all of the following requirements must be satisfied:

(1) The nomination must be made for an election to be held at an annual meeting of shareholders or a special meeting of shareholders in which the Board of Directors has determined that candidates will be elected by the issued and outstanding shares of the ~~corporation~~ Corporation’s Common Stock to one or more positions on the Board of Directors.

(2) The individual must be nominated by a shareholder or shareholder group who (i) shall ~~be the record owner on the record date for and on~~ have been the Beneficially Owner (individually or in the aggregate) of more than 5% of the Corporation’s Capital Stock for a continuous period of at least two years as of the date of nomination and must intend to continue to Beneficially Own such shares through the date of the date of the meeting of shares entitled to be voted at that meeting for the election of directors ~~(a “Nominating Shareholder”) and who,~~ (ii) is eligible to report Beneficial Ownership on Schedule 13G, rather than 13D, and must have filed a Schedule 13G or an amendment to Schedule 13G reporting its beneficial ownership as a passive or institutional investor (or group) on or before the date that it submits the nomination to the Corporation and (iii) has not entered into an agreement with the ~~corporation~~ Corporation the terms of which prohibit the shareholder from nominating candidates to be directors.

(3) The Nominating Shareholder must not have any of the following relationships with the nominee: (i) the nominee may not be the Nominating Shareholder (or a member of the group comprising the Nominating Shareholder) or a member of the immediate family of the Nominating Shareholder; (ii) neither the nominee nor any of his or her immediate family members may have been employed by, or have accepted any consulting, advisory or other compensatory fee from, the Nominating Shareholder or any affiliate of the Nominating Shareholder during the then-current calendar year or the immediately preceding calendar year; (iii) the nominee may not be an executive officer or director (or person fulfilling similar functions) of the Nominating Shareholder or any affiliate of the Nominating Shareholder; and (iv) the nominee may not control the Nominating Shareholder (or be an interested person of the Nominating Shareholder that is a fund under the Investment Company Act of 1940, as amended).

(4) The Nominating Shareholder must deliver a timely written nomination notice to the office the Secretary of the ~~corporation~~Corporation at the ~~corporation~~Corporation's principal place of business which provides the information required by this **Section 5(b)**.

(45) To be timely for an annual meeting, a Nominating ~~Shareholders'~~Shareholder's notice must be actually received by the Secretary of the ~~corporation~~Corporation at the ~~corporation~~Corporation's principal place of business not later than the close of business on the 60th day or earlier than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting; *provided, however*, that: (i) if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which Public Announcement (as defined below) of the date of such meeting is first made by the ~~corporation~~Corporation, and (ii) if the number of directors to be elected to the Board of Directors is increased and there is no Public Announcement by the ~~corporation~~Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least seventy (70) days prior to the first anniversary of the preceding year's annual meeting, a Nominating Shareholder's nominating notice required by this **Section 5(b)** shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if (x) the Nominating Shareholder shall have nominated candidates in accordance with the requirements in this **Section 5(b)** for all Board of Directors positions not covered by such increase, and (y) the nomination notice for candidates to fill the expanded positions shall be actually received by the Secretary of the ~~corporation~~Corporation at the ~~corporation~~Corporation's principal place of business not later than the close of business on the 10th day following the day on which such Public Announcement is first made by the ~~corporation~~Corporation.

(56) If the election is to be held at a special shareholders' meeting, a Nominating Shareholder's nominating notice required by this **Section 5(b)** shall be considered timely for such meeting if it shall be actually received by the Secretary of the ~~corporation~~Corporation at the ~~corporation~~Corporation's principal place of business not later than the close of business on the 10th day following the day on which the ~~corporation~~Corporation shall first make a Public Announcement of the date of the special meeting and that a vote by shareholders shall be taken at such meeting to elect one or more directors.

(67) In no event shall the Public Announcement of an adjournment or recess of an annual meeting commence a new time period for the giving of a Nominating Shareholder's notice as described above. "**Public Announcement**" means, for these purposes, actual notice delivered to shareholders, disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or disclosure in a document publicly filed by the ~~corporation~~Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

(78) Such Nominating Shareholder's nomination notice shall: (i) set forth as to each person whom the Nominating Shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, and Rule 14a-11 thereunder, whether or not such are applicable to the ~~corporation~~Corporation; (ii) be accompanied by each nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (iii) set forth the name and address of the Nominating Shareholder and the beneficial owner of the shares owned of record by the Nominating Shareholder, and the telephone number at which the ~~corporation~~Corporation will be able to contact the shareholder, the beneficial owner and each nominee during usual business hours during the period through the meeting at which the nomination is to take place; and (iv) set forth the number of shares of the ~~corporation~~Corporation which are owned beneficially and of record by such Nominating Shareholder and such beneficial owner.

(89) Prior to the annual or special meeting of shareholders at which the nominee shall be considered for election, the nominee shall provide (i) the certification required pursuant to **Section 4(b)(1)** of this Article III regarding whether the nominee would, if elected, be an Independent Director as defined therein, and (ii) if the nominee certifies that he or she would be an Independent Director, the agreement to serve in such capacity and the irrevocable resignation required pursuant to **Section 4(b)(1)** of this Article III.

(910) The Nominating Shareholder, the beneficial owner and each nominee shall provide such other information as any officer of the ~~corporation~~Corporation shall reasonably deem relevant within such time limits as any officer of the ~~corporation~~Corporation shall reasonably impose for such information.

~~{(1011)}~~ The individual must not be disqualified as a "Non-Independent Candidate." The term "**Non-Independent Candidate**," means an individual that shall have been nominated for election in accordance with subparagraphs (1) through (9) above, but who does not qualify as an "Independent Director" as that term is defined in **Section 4(b)(1)** of this Article III. In the event that, in any particular election of directors, some but not all of the Non-Independent Candidates for director at such election may be eligible for election to the Board of Directors pursuant to the Articles of Incorporation, then the Non-Independent Candidates shall be treated as Qualified Candidates until all positions available for Non-Independent Candidates at such election shall have been elected. The remaining Non-Independent Candidates shall be deemed to not be Qualified Candidates. ~~}- [Determine whether BCBSA requires this provision]~~

(c) If the Board of Directors consists of eight (8) or fewer directors, the Nominating Shareholder may only nominate one nominee in any one calendar year, and if the Board of Directors consists of more than eight (8) directors, the Nominating Shareholder may nominate the lesser of twenty-five percent of the positions for election in such calendar year or two nominees in such calendar year. Current directors of the Corporation who were elected pursuant to the process described in this Section 5, but who are not up for re-election at the current annual

meeting of shareholders would be counted for purposes of the limitations set forth in this **Section 5(c)**.

(d) If there is more than one Nominating Shareholder eligible to nominate a director pursuant to this Section 5, only the Nominating Shareholder with the largest beneficial ownership as reported on Schedule 13G at the time the Nominating Shareholder delivers its nomination notice to the Corporation shall be permitted to nominate a director.

(e) The Corporation shall include in the Corporation's proxy statement in connection with the election of directors an individual as a nominee who is qualified to be a director pursuant to this Section 5 and who is designated by a Nominating Shareholder that qualifies to make such determination pursuant to this Section 5.

(f) Notwithstanding the foregoing, for so long as the Washington Foundation Shareholder Beneficially Owns 5% or more of the issued and outstanding Common Stock, but in no event longer than five (5) years, and for so long as the Alaska Health Foundation Beneficially Owns 5% or more of the issued and outstanding Common Stock, but in no event longer than five (5) years, the Washington Foundation Shareholder and/or the Alaska Health Foundation will have the right, in accordance with the procedures established in Section 5.03(b)(i) of the Voting Trust and Divestiture Agreements, to jointly propose nominees from which the Board of Directors will nominate one (1) such individual to serve as a member of the Board of Directors ("**Designated Member**").

**Section 6 Election of Directors.** Each election of directors shall be by plurality vote except that an individual shall not be elected to the Board of Directors of the ~~corporation~~Corporation if such election is prohibited by **Section 4(a)** of this Article III or the individual does not meet the qualifications which may be required by the Bylaws of the ~~corporation~~Corporation as constituted at the time of such election. Votes cast in favor of an individual who is not qualified to be elected and to serve as a director pursuant to these Articles of Incorporation and the Bylaws of the ~~corporation~~Corporation shall not be effective to elect that individual to the Board of Directors regardless of whether (i) that individual receives a greater number of votes than Qualified Candidates who are elected to the Board of Directors or (ii) no other individual receives any votes at that meeting.

**Section 7 Vacancies.** ~~Any~~Subject to the following sentence, any newly created directorships resulting from any increase in the number of directors or any vacancies resulting from the removal, resignation or death of a director shall be filled by the affirmative vote of an Independent Board Majority and any directors so chosen shall hold office until the end of the term of the class for which chosen and until their successors shall be elected and qualified or until their respective earlier resignation, removal, disqualification or death. In the event of the death, resignation, retirement or removal of a director nominated by the Washington Foundation Shareholder and/or the Alaska Health Foundation pursuant to Section 5.03 of the Voting Trust and Divestiture Agreements, such vacancy shall be filled in the manner specified in Section 5.03(b) of the Voting Trust and Divestiture Agreements. Any person added as a director pursuant to this Section 7 shall hold office for the term that expires as to the class to which he or she has been added.

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**Section 8 Removal of Directors.** Shareholders of the ~~corporation~~Corporation shall have no right to remove any director or the whole Board of Directors of the ~~corporation~~Corporation unless such removal is for Cause (as defined below in this **Section 8**) and unless the holders of at least seventy-five percent (75%) of the issued and outstanding shares of Common Stock then entitled to vote at an election of directors shall have voted in favor of such removal for Cause (notwithstanding the fact that some lesser percentage may be specified by the Act). “Cause,” as used in this **Section 8**, means breach by any Independent Director of the obligation hereunder to remain Independent throughout such person’s term as a director; or, as to any director, conviction of a felony, or commission of gross negligence or willful misconduct in the performance of the director’s duty to the ~~corporation~~Corporation in a matter of substantial importance to the ~~corporation~~Corporation.

**Section 9 Voting by Class or Series.** Whenever the holders of any class or series of Capital Stock issued by the ~~corporation~~Corporation or of any other securities of the ~~corporation~~Corporation shall have the right, voting separately by class or series pursuant to the terms of such class or series of Capital Stock, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of these Articles of Incorporation then applicable thereto.

**Section 10 Further Implementation.** The Board of Directors of the ~~corporation~~Corporation shall have the right to adopt Bylaw provisions to implement and apply the provisions of this Article III as to the election of directors and to achieve the outcome prescribed and intended thereby. The election of directors need not be by ballot unless the Bylaws of the ~~corporation~~Corporation shall so require.



## ARTICLE IV TRANSFER OF SHARES

**Section 1 Definitions.** As used in these Articles of Incorporation (except as noted below in the definition of “**Exchange Act**”), the following terms have the following meanings:

(a) “**affiliate**” and “**associate**” have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the date hereof.

(b) a Person shall be deemed to “**Beneficially Own**,” be the “**Beneficial Owner**” of or have “**Beneficial Ownership**” of any Capital Stock:

(i) in which such Person shall then have a direct or indirect beneficial ownership interest;

(ii) in which such Person shall have the right to acquire any direct or indirect beneficial ownership interest pursuant to any option or other agreement (either immediately or after the passage of time or the occurrence of any contingency);

(iii) which such Person shall have the right to vote;

(iv) in which such Person shall hold any other interest which would count in determining whether such Person would be required to file a Schedule 13D or Schedule 13G under Regulation 13D-G under the Exchange Act, if applicable; or

(v) which shall be Beneficially Owned (under the concepts provided in the preceding clauses) by any affiliate or associate of the particular Person or by any other Person with whom the particular Person or any such affiliate or associate has any agreement, arrangement or understanding relating to the acquisition, holding, voting or disposing of any securities of the ~~corporation~~Corporation (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities and other than pursuant to the Registration Rights Agreement);

*provided, however, that*

(vi) a Person shall not be deemed to Beneficially Own, be the Beneficial Owner of, or have Beneficial Ownership of Capital Stock by reason of possessing the right to vote if (i) such right arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act, and (ii) such Person is not the Excess Owner of any Excess Shares, is not named as holding a beneficial ownership interest in any Capital Stock in any filing on Schedule



13D or Schedule 13G, and is not an affiliate or associate of any such Excess Owner or named Person;

(vii) a member of a national securities exchange or a registered depositary shall not be deemed to Beneficially Own, be the Beneficial Owner of, or have Beneficial Ownership of Capital Stock held directly or indirectly by it on behalf of another Person (and not for its own account) solely because such member or depositary is the record holder of such Capital Stock, and (in the case of such member), pursuant to the rules of such exchange, such member may direct the vote of such Capital Stock without instruction on matters which are uncontested and do not affect substantially the rights or privileges of the holders of the Capital Stock to be voted, but is otherwise precluded by the rules of such exchange from voting such Capital Stock without instruction on either contested matters or matters that may affect substantially the rights or the privileges of the holders of such Capital Stock to be voted;

(viii) a Person who in the ordinary course of business is a pledgee of Capital Stock under a written pledge agreement shall not be deemed to Beneficially Own, be the Beneficial Owner of, or have Beneficial Ownership of such pledged Capital Stock solely by reason of such pledge until the pledgee has taken all formal steps which are necessary to declare a default or has otherwise acquired the power to vote or to direct the vote of such pledged Capital Stock, provided that:

(A) the pledge agreement is bona fide and was not entered into with the purpose or with the effect of changing or influencing the control of the ~~corporation~~Corporation or in connection with any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) promulgated under the Exchange Act; and

(B) the pledge agreement does not grant to the pledgee the right to vote or to direct the vote of the pledged securities prior to the time the pledgee has taken all formal steps which are necessary to declare a default;

(ix) a Person engaged in business as an underwriter or a placement agent for securities who enters into an agreement to acquire or acquires Capital Stock solely by reason of its participation in good faith and in the ordinary course of its business in the capacity of underwriter or placement agent in any underwriting or agent representation registered under the Securities Act, as a bona fide private placement, a resale under Rule 144A promulgated under the Securities Act, or in any foreign or other offering exempt from the registration requirements under the Securities Act shall not be deemed to Beneficially Own, be the Beneficial Owner of, or have Beneficial Ownership of such securities until the expiration of forty (40) days after the date of such acquisition so long as (i) such Person does not vote such Capital Stock during such period, and (ii) such participation is not with the purpose or with the effect of changing or influencing control of the ~~corporation~~Corporation, and is not in connection with or facilitating any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) promulgated under the Exchange Act;

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(x) if the ~~corporation~~Corporation shall sell shares in a transaction not involving any public offering, then each purchaser in such offering shall be deemed to obtain Beneficial Ownership in such offering of the shares purchased by such purchaser, but no particular purchaser shall be deemed to Beneficially Own or have acquired Beneficial Ownership or be the Beneficial Owner in such offering of shares purchased by any other purchaser solely by reason of the fact that all such purchasers are parties to customary agreements relating to the purchase of equity securities directly from the ~~corporation~~Corporation in a transaction not involving a public offering, provided that:

(A) all the purchasers are persons specified in Rule 13d-1(b)(1)(ii) promulgated under the Exchange Act;

(B) the purchase is in the ordinary course of each purchaser's business and not with the purpose or with the effect of changing or influencing control of the ~~corporation~~Corporation or in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) promulgated under the Exchange Act;

(C) there is no agreement among or between any purchasers to act together with respect to the ~~corporation~~Corporation or its securities except for the purpose of facilitating the specific purchase involved; and

(D) the only actions among or between any purchasers with respect to the ~~corporation~~Corporation or its securities subsequent to the closing date of the nonpublic offering are those which are necessary to conclude ministerial matters directly related to the completion of the offer or sale of the securities sold in such offering;

(xi) the Share Escrow Agent shall not be deemed to be the Beneficial Owner of any Excess Shares held by such Share Escrow Agent pursuant to an Excess Share Escrow Agreement, and no such Excess Shares shall be aggregated with any other shares of Capital Stock held by affiliates or associates of such Share Escrow Agent; and

(xii) a Person shall not be deemed to Beneficially Own, be the Beneficial Owner of, or have Beneficial Ownership of Capital Stock by reason of the fact that such Person shall have entered into an agreement with the ~~corporation~~Corporation pursuant to which such Person, or its associates or affiliates, shall, upon consummation of the transaction described in such agreement, acquire, directly or indirectly, all of the Capital Stock of the ~~corporation~~Corporation (by means of a merger, consolidation, stock purchase or otherwise), provided that:

(A) such agreement shall have been approved by an Independent Board Majority prior to the execution thereof by the ~~corporation~~Corporation;

(B) neither such Person nor its associates or affiliates shall have been the Excess Owner of any Excess Shares immediately prior to the execution of such agreement;

(C) the consummation of the transaction described in such agreement shall be subject to the approval of the holders of Capital Stock of the ~~corporation~~Corporation entitled to vote thereon under the ~~DGCL~~Act or pursuant to other applicable law or the rules of the New York Stock Exchange, Inc. or any other national securities exchange or automated quotation system on which any of the Capital Stock shall then be listed or quoted; and

(D) neither such Person nor its associates or affiliates shall have made any acquisition of Capital Stock after the execution of such agreement other than pursuant to the terms of such agreement.

Anything herein to the contrary notwithstanding, a Person shall continue to be deemed to Beneficially Own, be the Beneficial Owner of, and have Beneficial Ownership of, such Person's Excess Shares which shall have been conveyed, or shall be deemed to have been conveyed, to the Share Escrow Agent in accordance with this Article IV until such time as such Excess Shares shall have been sold by the Share Escrow Agent as provided in this Article IV.

(c) “**BCBSA**” means the Blue Cross and Blue Shield Association (or its then successor).

(d) “**Capital Stock**” means shares (or any basic unit) of any class or series of any equity security, voting or non-voting, common or preferred, which the ~~corporation~~Corporation may at any time issue or be authorized to issue.

(e) “**Common Stock**” has the meaning set forth in ~~Section 1~~, Article II, Section 1 of these Articles of Incorporation.

(f) “**Excess Owner**” means a Person who Beneficially Owns Excess Shares.

(g) “**Excess Share Escrow Agreement**” means an agreement to be entered into between the ~~corporation~~Corporation and the Share Escrow Agent and having such terms as the ~~corporation~~Corporation shall deem appropriate, consistent with these Articles of Incorporation, whereby the Share Escrow Agent shall act as escrow agent pursuant to this Article IV.

(h) “**Excess Shares**” means (i) with respect to any Institutional Investor, all the shares of Capital Stock Beneficially Owned by such Institutional Investor in excess of the Institutional Investor Ownership Limit, (ii) with respect to any Noninstitutional Investor, all the shares of Capital Stock Beneficially Owned by such Noninstitutional Investor in excess of the Noninstitutional Investor Ownership Limit, and (iii) with respect to any Person, all the shares of Capital Stock Beneficially Owned by such Person in excess of the General Ownership Limit; *provided, however*, that in the event the Excess Shares with respect to such Person results from the Beneficial Ownership of Capital Stock of such Person being aggregated with the Beneficial

Ownership of Capital Stock of any other Person, then the number of Excess Shares with respect to such Person shall be allocated pro rata in proportion to each Person's total Beneficial Ownership (as calculated without giving effect to this Article IV). All Excess Shares shall be deemed to be issued and outstanding shares of Capital Stock even when subject to or held pursuant to this Article IV.

(i) “**Exchange Act**” means, solely for purposes of this Article IV, the Securities Exchange Act of 1934, as amended or supplemented, and any other federal law which the BCBSA shall reasonably judge to have replaced or supplemented the coverage of the Exchange Act.

(j) “Washington Foundation Shareholder” means [Washington Foundation Shareholder], a Washington nonprofit corporation, and its successors.

(k) “**General Ownership Limit**” means that number of shares of Capital Stock as set from time to time by resolution adopted by an Independent Board Majority pursuant to **Section 15** of this Article IV and shall initially be that number of shares of Common Stock one share lower than the number of shares of Common Stock and Class B Common Stock which would represent 20% of all shares of Common Stock and Class B Common Stock issued and outstanding at the time of determination, or (ii) any combination of shares of Capital Stock in any series or class that represents 20% of the ownership interest in the ~~corporation~~Corporation at the time of determination. Unless an Independent Board Majority otherwise determines pursuant to the authority granted in **Section 15** of this Article IV, the manner in which shares in different classes or series of Capital Stock shall be counted to determine the ownership interest represented by any particular combination of those shares of Capital Stock pursuant to **clause (ii)** above shall be the same manner prescribed by the BCBSA under the License Agreements. So long as Common Stock (carrying identical voting rights per share) and Class B Common Stock shall be the only ~~class~~classes of Capital Stock issued by the ~~corporation~~Corporation, the General Ownership Limit shall be irrelevant for purposes of this Article IV because the Institutional Investor Ownership Limit shall exclusively determine whether any shares of Common Stock owned by any Institutional Investor constitute Excess Shares and the Noninstitutional Investor Ownership Limit shall exclusively determine whether any shares of Common Stock owned by any Noninstitutional Investor constitute Excess Shares. If, however, the ~~corporation~~Corporation were to issue a series of Preferred Stock or other class of Capital Stock other than Common Stock and Class B Common Stock, then (i) shares Beneficially Owned by an Institutional Investor in excess of either the Institutional Investor Ownership Limit or the General Ownership Limit would constitute Excess Shares, and (ii) shares Beneficially Owned by a Noninstitutional Investor in excess of either the Noninstitutional Investor Ownership Limit or the General Ownership Limit would constitute Excess Shares.

(l) “**Institutional Investor**” means any of the following:

(i) a broker or dealer registered under Section 15 of the Exchange Act;

(ii) ~~(ii)~~—a bank as defined in Section 3(a)(6) of the Exchange Act;

(iii) an insurance company as defined in Section 3(a)(19) of the Exchange Act;

(~~iii~~iv) an investment company registered under Section 8 of the Investment Company Act of 1940, as amended (the “**Investment Company Act**”);

(~~iv~~v) any person registered as an investment advisor under Section 203 of the Investment Advisers Act of 1940, as amended, or under the laws of any state;

(~~v~~vi) an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), that is subject to the provisions of ERISA, or any such plan that is not subject to ERISA that is maintained primarily for the benefit of the employees of a state or local government or instrumentality, or an endowment fund;

(~~vi~~vii) a savings association as defined in Section 3(b) of the Federal Deposit Insurance Act of 1950, as amended;

(~~vii~~viii) a church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;

(~~viii~~ix) a parent holding company or control person, provided the aggregate amount held directly by the parent or control person, and directly and indirectly by their subsidiaries or affiliates that are not persons specified in **clauses (i) through (vii)** above, does not exceed one percent of the securities of the subject class; or

(~~ix~~x) a group, provided that all the members are persons specified in Rule 13d-1(b)(1)(ii)(A) through (I) under the Exchange Act;

provided, in each case, that such Person has acquired all of its shares of Capital Stock of the ~~corporation~~Corporation in the ordinary course of business and not with any purpose, or with the effect, of changing or influencing the control of the ~~corporation~~Corporation, or in connection with or as a participant in any transaction having that purpose or effect.

(m) “**Institutional Investor Ownership Limit**” means that number of shares of Capital Stock as set from time to time by resolution adopted by an Independent Board Majority pursuant to **Section 15** of this Article IV and shall initially be one share lower than the number of shares of Capital Stock which would represent 10% of the Voting Power of all shares of Capital Stock issued and outstanding at the time of determination.

(n) “**License Agreements**” means the license agreements as constituted from time to time between the ~~corporation~~Corporation or any of its subsidiaries or affiliates and the BCBSA, including any and all addenda thereto, with respect to, among other things, the “Blue Cross” and “Blue Shield” names and marks.

(o) “**Noninstitutional Investor**” means any Person that is not an Institutional Investor.

(p) “**Noninstitutional Investor Ownership Limit**” means that number of shares of Capital Stock as set from time to time by resolution adopted by an Independent Board Majority pursuant to **Section 15** of this Article IV and shall initially be one share lower than the number of shares of Capital Stock which would represent 5% of the Voting Power of all shares of Capital Stock issued and outstanding at the time of determination.

(q) “**Ownership Limit**” means each of the Institutional Investor Ownership Limit, the Noninstitutional Investor Ownership Limit and the General Ownership Limit, as each may be revised from time to time pursuant to **Section 15** of this Article: IV.

(r) “**Permitted Transferee**” means a Person whose acquisition of Capital Stock will not violate any Ownership Limit applicable to such Person.

(s) “**Person**” means any individual, firm, partnership, ~~corporation~~ Corporation, limited liability company, trust, association, joint venture or other entity, and shall include any successor (by merger or otherwise) of any such entity.

(t) “**Registration Rights Agreement**” means that certain Registration Rights Agreement, between the ~~corporation~~ Corporation, the Washington Foundation Shareholder and the Alaska Health Foundation, as amended, referred to in the Plan of Conversion described in **Section 14** of this Article IV.

(u) “**Schedule 13D**” means a report on Schedule 13D under Regulation 13D-G under the Exchange Act and any report which may be required in the future under any requirements which the BCBSA shall reasonably judge to have any of the purposes served by Schedule 13D.

(v) “**Schedule 13G**” means a report on Schedule 13G under Regulation 13D-G under the Exchange Act and any report which may be required in the future under any requirements which the BCBSA shall reasonably judge to have any of the purposes served by Schedule 13G.

(w) “**SEC**” means the United States Securities and Exchange Commission and any successor federal agency having similar powers.

(x) “**Securities Act**” means the Securities Act of 1933, as amended or supplemented, and any other federal law which the BCBSA shall reasonably judge to have replaced or supplemented the coverage of the Securities Act.

(y) “**Share Escrow Agent**” means the Person appointed by the ~~corporation~~ Corporation to act as escrow agent with respect to the Excess Shares.

(z) “**Transfer**” means any of the following which would affect the Beneficial Ownership of Capital Stock: (a) any direct or indirect sale, transfer, gift, hypothecation, pledge, assignment, devise or other disposition of Capital Stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Capital Stock, or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Capital Stock), whether voluntary or involuntary, whether of record,



constructively or beneficially, and whether by operation of law or otherwise, and (b) any other transaction or event, including without limitation a merger, consolidation, or acquisition of any Person, the expiration of a voting trust which is not renewed, or the aggregation of the Capital Stock Beneficially Owned by one Person with the Capital Stock Beneficially Owned by any other Person.

(aa) “**Transferability**” means the ability of a Person to Transfer shares of Capital Stock of the Corporation.

(bb) “**Voting Power**” means the voting power attributable to the shares of Capital Stock issued and outstanding at the time of determination and shall be equal to the number of all votes which could be cast in any election of any director which could be accounted for by all shares of Capital Stock issued and outstanding at the time of determination. If, in connection with an election for any particular position on the Board of Directors of the ~~corporation~~Corporation, shares in different classes or series are entitled to be voted together for purposes of such election, then in determining the number of “all votes which could be cast” in the election for that particular position for purposes of the preceding sentence, the number shall be equal to the number of votes which could be cast in the election for that particular position if all shares entitled to be voted in such election (regardless of series or class) were in fact voted in such election. For any particular Person, the Voting Power of such Person shall be equal to the quotient, expressed as a percentage, of the number of votes that may be cast with respect to shares of Capital Stock Beneficially Owned by such Person (including, for these purposes, any Excess Shares Beneficially Owned by such Person and held and/or voted by the Share Escrow Agent) divided by the total number of votes that could be cast by all shareholders of the ~~corporation~~Corporation (including such particular Person) based upon the issued and outstanding shares of Capital Stock at the time of determination. If the ~~corporation~~Corporation shall issue any series or class of shares for which positions on the Board of Directors of the ~~corporation~~Corporation are reserved or shall otherwise issue shares which have voting rights which can arise or vary based upon terms governing that class or series, then the percentage of the voting power represented by the shares of Capital Stock Beneficially Owned by any particular Person shall be the highest percentage of the total votes which could be accounted for by those shares in any election of any director.

~~(bbcc)~~ “**Voting Trust and Divestiture Agreement**” means that certain Voting Trust and Divestiture Agreement by and between the ~~corporation~~Corporation, the Washington Foundation Shareholder and the trustee named therein, as amended, and that certain Voting Trust and Divestiture Agreement by and between the Corporation, the Alaska Health Foundation and the trustee named therein, as amended, both referred to in the Plan of Conversion described in **Section 14** of this Article IV.

## **Section 2      Ownership Limitations.**

(a) For so long as the ~~corporation~~Corporation is a party to a License Agreement and such License Agreement prohibits Beneficial Ownership of shares of Capital Stock in excess of the Ownership Limits, no Institutional Investor shall Beneficially Own shares of Capital Stock in excess of the Institutional Investor Ownership Limit, no Noninstitutional Investor shall

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Beneficially Own shares of Capital Stock in excess of the Noninstitutional Investor Ownership Limit, and no Person shall Beneficially Own shares of Capital Stock in excess of the General Ownership Limit. If at any time the ~~corporation~~[Corporation](#) is not a party to a License Agreement that prohibits Beneficial Ownership of shares of Capital Stock in excess of the Ownership Limits, the foregoing restrictions and the other provisions of this Article [IV](#) shall cease to apply and shall be of no further force or effect; provided that in such event (i) **Section 9** of this Article [IV](#) shall continue to apply to the proceeds from the sale of any Excess Shares and any Excess Share Dividends which have yet to be distributed as set forth therein, and (ii) **Section 13** of this Article [IV](#) shall continue to apply to the interpretation of this Article [IV](#).

(b) The occurrence of any Transfer which would cause any Person to Beneficially Own Capital Stock in excess of any Ownership Limit applicable to such Person shall have the following legal consequences: (i) such Person shall receive no rights to the Excess Shares resulting from such Transfer (other than as specified in this Article [IV](#)), (ii) all legal title to the Excess Shares resulting from such Transfer shall be automatically and immediately conveyed to the Share Escrow Agent, and (iii) the Share Escrow Agent shall hold title to the Excess Shares subject to its own rights and the rights therein of the ~~corporation~~[Corporation](#) and the Excess Owner, all as specified in this Article [IV](#).

(c) Notwithstanding the foregoing, a Person's Beneficial Ownership of Capital Stock shall not be deemed to exceed any Ownership Limit applicable to such Person if (A) the Excess Shares with respect to such Person do not exceed the lesser of 1% of the Voting Power of the Capital Stock or 1% of the ownership interest in the ~~corporation~~[Corporation](#), and (B) within fifteen (15) days of the time when such Person becomes aware of the existence of such Excess Shares such Person transfers or otherwise disposes of sufficient shares of Capital Stock so that such Person's Beneficial Ownership of Capital Stock shall not exceed any Ownership Limit.

**Section 3 Notice of Existence of Excess Shares.** Any Excess Owner who acquires or attempts to acquire shares of Capital Stock in violation of **Section 2** of this Article [IV](#), or any Excess Owner who is a transferee such that any shares of Capital Stock are deemed Excess Shares, shall immediately give written notice to the ~~corporation~~[Corporation](#) of such event and shall provide to the ~~corporation~~[Corporation](#) such other information as the ~~corporation~~[Corporation](#) may request.

**Section 4 Transfer of Excess Shares to Share Escrow Agent.** The ~~corporation~~[Corporation](#) shall take such actions as it deems necessary to give effect to the transfer of Excess Shares to the Share Escrow Agent, including refusing to give effect to the Transfer or any subsequent Transfer of Excess Shares by the Excess Owner on the books of the ~~corporation~~[Corporation](#). Excess Shares so held by the Share Escrow Agent shall be issued and outstanding shares of Capital Stock. An Excess Owner shall have no rights in such Excess Shares except as expressly provided in this Article [IV](#) and the administration of the Excess Shares escrow shall be governed by the terms of an Excess Share Escrow Agreement.

**Section 5 Dividends Regarding Excess Shares.** The Share Escrow Agent, as record holder of Excess Shares, shall be entitled to receive all dividends and distributions as may be declared by the Board of Directors of the ~~corporation~~[Corporation](#) with respect to Excess

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Shares (the “**Excess Share Dividends**”) and shall hold the Excess Share Dividends until disbursed in accordance with the provisions of **Section 9** of this Article IV.

**Section 6 Excess Shares at Dissolution.** In the event of any voluntary or involuntary liquidation, dissolution, or winding up of, or any distribution of the assets of, the ~~corporation~~Corporation, the Share Escrow Agent shall be entitled to (i) receive, ratably with each other holder of Capital Stock of the same class or series, that portion of the assets of the ~~corporation~~Corporation that shall be available for distribution to the holders of Capital Stock of the same class or series and (ii) to hold in escrow any assets it receives from the ~~corporation~~Corporation in respect of the Excess Shares. The Share Escrow Agent shall distribute the amounts received upon such liquidation, dissolution or winding up or distribution in accordance with the provisions of subsections (i), (ii) and (iii) of **Section 9** of this Article IV, *provided, however*, that if the ~~corporation~~Corporation does not provide the Share Escrow Agent with written instructions as to how such remaining assets are to be distributed to the Excess Owners, the Share Escrow Agent shall distribute such remaining assets pro rata among the Excess Holders.

**Section 7 Voting Excess Shares.**

(a) With respect to all Excess Shares, the Share Escrow Agent shall have the exclusive and absolute right in respect of such shares of Capital Stock to vote, assent or consent such shares of Capital Stock at all times during which such shares constitute Excess Shares, subject to Section 7(b) hereof, including, without limitation, the right to vote at any election of directors and in favor of or in opposition to any resolution, dissolution, liquidation, merger or consolidation of the ~~corporation~~Corporation, any sale of all or substantially all of the ~~corporation~~Corporation’s assets, any issuance or authorization of securities, or any amendment to the ~~corporation~~Corporation’s Articles or Bylaws or any other action of any character whatsoever which may be presented at any meeting or require the consent of the shareholders of the ~~corporation~~Corporation.

(b) In exercising the Share Escrow Agent’s powers and duties under Section 7(a) hereof, subject to Section 7(c), the Share Escrow Agent shall at all times vote, assent or consent all Excess Shares:

(i) if the matter concerned is the election of directors of the ~~corporation~~Corporation, the Share Escrow Agent shall vote, assent or consent the whole number of the Excess Shares in favor of each nominee to the Board of Directors whose nomination has been approved by an Independent Board Majority and vote against any candidate for the Board of Directors for whom no competing candidate has been nominated, selected or approved by an Independent Board Majority;

(ii) unless such action is initiated by or with the consent of an Independent Board Majority, the Share Escrow Agent shall (i) vote against removal of any director of the ~~corporation~~Corporation, (ii) vote against any alteration, amendment, change or addition to or repeal of the Bylaws or Articles, (iii) not nominate any candidate to fill any vacancy on the Board of Directors, (iv) not call any special meeting of the shareholders

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of the ~~corporation~~Corporation, and (v) not take any action by voting the Excess Shares that would be inconsistent with or would have the effect, directly or indirectly, of defeating or subverting the voting requirements contained in this Section 7(b); and

(iii) to the extent not otherwise covered by clauses (i) and (ii), the Share Escrow Agent shall vote in accordance with the recommendation of the Independent Board Majority.

## **Section 8 Disposition of Excess Shares.**

(a) The Share Escrow Agent shall hold all Excess Shares until such time as they are sold in accordance with this Section.

(b) The Share Escrow Agent shall sell or cause the sale of Excess Shares in a commercially reasonable manner, including registering such shares with the Securities and Exchange Commission (“SEC”) for sale to the public, at such time or times, to such purchasers, and on such terms as shall be determined by the ~~corporation~~Corporation and provided by the ~~corporation~~Corporation to the Share Escrow Agent in writing. The ~~corporation~~Corporation shall have the right to take such actions as the ~~corporation~~Corporation shall deem appropriate to ensure that sales of Excess Shares shall be made only to Permitted Transferees.

(c) The Share Escrow Agent shall have the power to convey to the purchaser of any Excess Shares sold by the Share Escrow Agent ownership of such Excess Shares free of any interest of the Excess Owner in those Excess Shares and free of any other adverse interest arising through the Excess Owner. The Share Escrow Agent shall be authorized to execute any and all documents sufficient to transfer title to any Permitted Transferee.

(d) Upon acquisition by any Permitted Transferee of any Excess Shares sold by the Share Escrow Agent or the Excess Owner, such shares shall upon such sale cease to be Excess Shares and shall become regular shares of Capital Stock in the class or series to which such Excess Shares otherwise belong, and the purchaser of such shares shall acquire such shares free of any claims of the Share Escrow Agent or the Excess Owner.

(e) To the extent permitted by the Act or other applicable law, neither the ~~corporation~~Corporation, the Share Escrow Agent nor anyone else shall have any liability to the Excess Owner or anyone else by reason of any action or inaction the ~~corporation~~Corporation or the Share Escrow Agent or any director, officer or agent of the ~~corporation~~Corporation shall take which any of them shall in good faith believe to be within the scope of their authority under this Article IV or by reason of any decision as to when or how to sell any Excess Shares or by reason of any other action or inaction in connection with the activities permitted under this Article IV which does not constitute gross negligence or intentional misconduct, or in the case of the Share Escrow Agent, a breach of the Excess Share Escrow Agreement. Without limiting by implication the scope of the preceding sentence, to the extent permitted by law, neither the Share Escrow Agent nor the ~~corporation~~Corporation nor any director, officer or agent of the ~~corporation~~Corporation (a) shall have any liability on grounds that any of them failed to take actions which would or could have produced higher proceeds for any of the Excess Shares or by

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reason of the manner or timing for any disposition of any Excess Shares, or (b) shall be deemed to be a fiduciary or agent of any Excess Owner.

**Section 9 Proceeds From Excess Shares.** The proceeds from the sale of the Excess Shares to a Permitted Transferee and any Excess Share Dividends or other proceeds relating to Excess Shares shall be distributed as follows: (i) first, to the Share Escrow Agent for any costs and expenses incurred in respect of its administration of the Excess Shares that have not theretofore been reimbursed by the ~~corporation~~Corporation; (ii) second, to the ~~corporation~~Corporation for all costs and expenses incurred by the ~~corporation~~Corporation in connection with the appointment of the Share Escrow Agent, the payment of fees to the Share Escrow Agent with respect to the services provided by the Share Escrow Agent in respect of the escrow and for any other direct or indirect and out of pocket expenses incurred by the ~~corporation~~Corporation in connection with the Excess Shares, including any litigation costs and expenses, and all funds expended by the ~~corporation~~Corporation to reimburse the Share Escrow Agent for costs and expenses incurred by the Share Escrow Agent in respect of its administration of the Excess Shares and for all fees, disbursements and expenses incurred by the Share Escrow Agent in connection with the sale of the Excess Shares; and (iii) third, the remainder thereof (as the case may be) to the Excess Owner; *provided, however*, if the ~~corporation~~Corporation shall have any questions as to whether any security interest or other interest adverse to the Excess Owner shall have existed with respect to any Excess Shares, neither the Share Escrow Agent, the ~~corporation~~Corporation nor anyone else shall have the obligation to disburse proceeds for those shares until the Share Escrow Agent is provided with such evidence as the ~~corporation~~Corporation shall deem necessary to determine the parties who shall be entitled to such proceeds.

**Section 10 Restrictive Legend.** Each certificate for Capital Stock shall bear the following legend:

“The shares of Capital Stock represented by this certificate are subject to restrictions on ownership and transfer. All capitalized terms in this legend have the meanings ascribed to them in the ~~corporation~~Corporation’s Articles of Incorporation, as the same may be amended from time to time, a copy of which, including the restrictions on ownership and transfer, shall be sent without charge to each shareholder who so requests. No Person shall Beneficially Own shares of Capital Stock in excess of any Ownership Limit applicable to such Person. Subject to certain limited specific exemptions, for so long as the ~~corporation~~Corporation is a party to a License Agreement and such License Agreement prohibits Beneficial Ownership of shares of Capital Stock in excess of the Ownership Limits, (i) Beneficial Ownership of that number of shares of Capital Stock by an Institutional Investor which would represent 10% or more of the Voting Power would exceed the Institutional Investor Ownership Limit, (ii) Beneficial Ownership of that number of shares of Capital Stock by a Noninstitutional Investor which would represent 5% or more of the Voting Power would exceed the Noninstitutional Investor Ownership Limit, and (iii) Beneficial Ownership of (a) 20% or more of the issued and outstanding shares of Common

Stock or (b) any combination of shares in any series or class of Capital Stock that represents 20% or more of the ownership interest in the ~~corporation~~Corporation (determined as provided in the ~~corporation~~Corporation's Articles of Incorporation) would exceed the General Ownership Limit. Any Person who attempts to Beneficially Own shares of Capital Stock in violation of this limitation must immediately notify the ~~corporation~~Corporation. Upon the occurrence of any event that would cause any Person to exceed any Ownership Limit applicable to such Person (including without limitation the expiration of a voting trust that entitled such Person to an exemption from any Ownership Limit applicable to such Person), all shares of Capital Stock Beneficially Owned by such Person in excess of any Ownership Limit applicable to such Person shall automatically be deemed Excess Shares and shall be transferred immediately to the Share Escrow Agent and shall be subject to the provisions of the ~~corporation~~Corporation's Articles of Incorporation. The foregoing summary of the restrictions on ownership and transfer is qualified in its entirety by reference to the ~~corporation~~Corporation's Articles of Incorporation."

The legend may be amended from time to time to reflect amendments to these Articles of Incorporation, or revisions to the Ownership Limits in accordance with **Section 15** of this Article IV.

**Section 11 Other Action.** Subject to **Section 12** of this Article IV, nothing contained in this Article IV or in any other provision of these Articles of Incorporation shall limit the authority of the ~~corporation~~Corporation to take such other action as it deems necessary or advisable to protect the ~~corporation~~Corporation and the interests of its shareholders.

**Section 12 Settlement of Market Transactions.** Nothing contained in these Articles of Incorporation shall preclude the settlement of any transactions entered into through the facilities of the New York Stock Exchange, Inc. or any other exchange or through the means of any automated quotation system now or hereafter in effect.

**Section 13 Interpretation.** Except in the case of manifest error, any interpretation of this Article IV by the Board of Directors of the ~~corporation~~Corporation shall be conclusive and binding; *provided, however*, that in making any such interpretation, the Board of Directors of the ~~corporation~~Corporation shall consider, wherever relevant, the ~~corporation~~Corporation's obligations to the BCBSA.

**Section 14 Exception of Washington Foundation Shareholder's and Alaska Health Foundation's Capital Stock.** This Article IV shall not be applicable with respect to any shares of Capital Stock owned by the Washington Foundation Shareholder or the Alaska Health Foundation which were (i) issued by the ~~corporation to the~~Corporation to the Washington Foundation Shareholder or the Alaska Health Foundation upon the incorporation of the ~~corporation~~Corporation, or (ii) issued by the ~~corporation to the~~Corporation to the Washington Foundation Shareholder or the Alaska Health Foundation pursuant to the Plan of Conversion, dated as of [ ] (such shares of Capital Stock being referred to as "Exchange Shares"), ~~or~~ (iii) acquired by the Washington Foundation Shareholder or the Alaska Health Foundation with respect to Exchange Shares as a result of a stock dividend, stock split, conversion, recapitalization, exchange of shares or the like, so long as such shares of Capital Stock shall be Beneficially Owned by the Washington Foundation Shareholder or the Alaska Health Foundation or by ~~a trustee~~trustees for the account of the Washington Foundation Shareholder and the Alaska Health Foundation and subject to the terms of the Voting Trust and Divestiture ~~Agreement~~Agreements, or (iv) held by the Unallocated Shares Escrow Agent pursuant to the that certain Unallocated Shares Escrow Agent Agreement by and between the Corporation, the Washington Foundation Shareholder, the Alaska Health Foundation and the Unallocated Shares Escrow Agent. Upon the Transfer of any Beneficial Ownership interest in any Exchange Shares (and such other shares of Capital Stock received by the Washington Foundation Shareholder or the Alaska Health Foundation or by ~~a trustee~~trustees for the account of the Washington Foundation Shareholder or the Alaska Health Foundation as a result of a stock dividend, stock split, conversion, recapitalization, exchange of shares or the like relating to such Exchange Shares) from the Washington Foundation ~~or trustee~~Shareholder or the Alaska Health Foundation or trustees thereof or the voting ~~trust~~trusts established by the Voting Trust and Divestiture ~~Agreement~~Agreements to any transferee, those shares of Capital Stock shall become fully subject to this Article IV from and at all times after such transfer.

**Section 15 Revision of Ownership Limits.** An Independent Board Majority shall have the right to set by resolution the percentage ownership of Capital Stock under each Ownership Limit to conform the definition to a change to the terms of the License Agreements or as required or permitted by the BCBSA. In the event the ~~corporation~~Corporation issues any series or class of Capital Stock other than Common Stock, then an Independent Board Majority shall have the power to determine the manner in which each class or series of Capital Stock shall be counted for purposes of determining each Ownership Limit. Any such action shall not be



deemed an amendment or Change to these Articles of Incorporation, and shall not require shareholder approval under **Article XIII** hereof; *provided, however*, that no such revision shall be effective until such time as the ~~corporation~~Corporation shall have notified the shareholders of such revision in such manner as it shall deem appropriate under the circumstances (provided that notification of any such action by means of a filing by the ~~corporation~~Corporation describing such revision with the SEC under the Exchange Act shall be deemed appropriate notice under all circumstances).

## **ARTICLE V PREEMPTIVE RIGHTS**

Shareholders of this ~~corporation~~Corporation have no preemptive rights to acquire additional shares of stock or securities convertible into shares of stock issued by the ~~corporation~~Corporation.

## **ARTICLE VI CUMULATIVE VOTING**

Shareholders of this ~~corporation~~Corporation shall not have the right to cumulate votes in the election of directors.

## **ARTICLE VII LIMITATION OF DIRECTOR LIABILITY**

A director of the ~~corporation~~Corporation shall not be personally liable to the ~~corporation~~Corporation or its shareholders for monetary damages for conduct as a director, except for:

- (a) Acts or omissions involving intentional misconduct by the director or a knowing violation of law by the director;
- (b) Conduct violating RCW 23B.08.310; or
- (c) Any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled.

If the Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the ~~corporation~~Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended. The provisions of this Article VII shall be deemed to be a contract with each director and officer of the ~~corporation~~Corporation who serves as such at any time while such provisions are in effect and each director and officer entitled to the benefits hereof shall be deemed to be serving as such in reliance on the provisions of this Article VII. Any repeal or modification of the foregoing paragraph by the shareholders of the ~~corporation~~Corporation shall not adversely affect any right



or protection of a director of the ~~corporation~~Corporation with respect to any acts or omissions of such director occurring prior to such repeal or modification.

## ARTICLE VIII INDEMNIFICATION OF DIRECTORS

**Section 1** The ~~corporation~~Corporation shall indemnify its directors to the full extent permitted by applicable law. The ~~corporation~~Corporation shall advance expenses for such persons pursuant to the terms set forth in the Bylaws, or in a separate directors' resolution or contract.

**Section 2** ~~The~~Pursuant to the provisions of Section 23B.08.560 of the Act, the Corporation shall have the power and in connection therewith, the Board of Directors may take such action as is necessary to carry out these indemnification and expense advancement provisions.~~It and~~ is expressly empowered to adopt, approve, and amend from time to time such Bylaws, resolutions, contracts, or further indemnification and expense advancement arrangements implementing these provisions as may be permitted by law, including the purchase and maintenance of insurance and creation and maintenance of an indemnification trust(s). Such Bylaws, resolutions, contracts or further arrangements shall include but not be limited to implementing the manner in which determinations as to any indemnity or advancement of expenses shall be made without regard to the limitations in sections 23B.08.510 through 23B.08.560, provided, however, no such indemnity shall indemnify any director from or on account of:

- (a) Acts or omissions involving intentional misconduct by the director or a knowing violation of law by the director;
- (b) Conduct violating RCW 23B.08.310; or
- (c) Any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled.

**Section 3** No amendment or repeal of this Article VIII shall apply to or have any effect on any right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

## ARTICLE IX ACTION BY CONSENT

(a) For so long as the ~~corporation~~Corporation is not publicly traded on a national securities exchange, shareholders may take action by consent pursuant to the Act. Upon completion of the initial public offering of the Corporation, no action required or permitted to be taken at any annual or special meeting of shareholders of the Corporation may be taken by written consent without a meeting of such shareholders.

(b) Notwithstanding anything herein to the contrary, any vote of the holder of the share of Class B Common Stock in its capacity as the holder of the share of Class B Common Stock may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by such holder of the share of Class B Common Stock.

## ARTICLE X SPECIAL SHAREHOLDER MEETINGS

Special meetings of the shareholders of the ~~corporation~~Corporation for any purpose or purposes may be called at any time by (a) an Independent Board Majority, (b) by the President or Chief Executive Officer and (iii) for so long as this ~~corporation~~Corporation is not publicly traded, by shareholders upon delivery to the ~~corporation~~Corporation of a written demand made by at least twenty five percent (25%) of all the votes entitled to be cast on any issue proposed to be considered at such special meeting. Special meetings of the shareholders of the ~~corporation~~Corporation may not be called by any other person or persons.

## ARTICLE XI TRANSACTIONS IN WHICH DIRECTORS HAVE AN INTEREST

Any contract or other transaction between this ~~corporation~~Corporation and one or more of its directors, or between this ~~corporation~~Corporation and any ~~corporation~~Corporation, firm, association or other entity of which one or more of its Directors are shareholders, members, directors, officers or employees or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such director or directors at the meeting of the Board of Directors which acts upon or in reference to such contract or transaction and, unless precluded by applicable federal or state securities laws or regulations or applicable stock exchange listing requirements requiring action only by disinterested directors as to such contract or transaction, notwithstanding his or their participation in such action, by voting or otherwise even though his or their presence or vote, or both, might have been necessary to obligate this ~~corporation~~Corporation upon such contract or transaction; provided, that the transaction is fair to the ~~corporation~~Corporation at the time it is authorized, approved, or ratified.

## ARTICLE XII SIGNIFICANT TRANSACTIONS

The ~~corporation~~Corporation shall be subject to the provisions of RCW 23B.19 et seq., as amended from time to time (the “**Chapter**”), *provided, however*, that if such statute ever is amended to take away the substantive rights conferred thereby or is repealed, the ~~corporation~~Corporation shall remain subject to the Chapter, and the Chapter, as it exists on the date hereof, shall be incorporated into these Articles of Incorporation by this reference.

### ARTICLE XIII AMENDMENT

Unless otherwise provided herein, the provisions of these Articles may be repealed or amended only upon the vote of a majority of the Directors present at a meeting at which a quorum is present and the affirmative vote of the holders of not less than a majority of the outstanding Voting Shares of this ~~corporation~~Corporation. The provisions set forth in Articles II (with respect to Class B Common Stock), III, IV, V, VI, VII, VIII, XII and XIII may only be amended upon the affirmative vote of (i) an Independent Board Majority and (ii) the holders of at least seventy five percent (75%) of the outstanding Voting Shares of the ~~corporation~~Corporation.

**ARTICLE XIV  
REGISTERED OFFICE AND AGENT**

The street address of the registered office of the ~~corporation~~Corporation is ~~701 Fifth~~925 Fourth Avenue, Suite. ~~5000, 2900~~, Seattle, Washington ~~98104-7078~~, 98104, and the name of the registered agent at such address is PTSGE Corp.

**ARTICLE XV  
INCORPORATOR**

The names and addresses of the incorporators are:

The undersigned incorporators have signed these Articles of Incorporation in duplicate on \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
Incorporator

\_\_\_\_\_  
\_\_\_\_\_  
Incorporator

## CONSENT TO SERVE AS REGISTERED AGENT

PTSGE Corp. hereby consents to serve as Registered Agent in the State of Washington for [New PREMERA], Corp., PTSGE Corp. acknowledges that as agent for the ~~corporation~~Corporation, PTSGE Corp. will be responsible for receiving service of process in the name of the ~~corporation~~Corporation; forwarding all mail to the ~~corporation~~Corporation; and immediately notifying the Office of the Secretary of State in the event of PTSGE Corp.'s resignation, or of any changes in the registered office of the ~~corporation~~Corporation for which PTSGE Corp. is agent.

DATED: \_\_\_\_\_, 200\_.

PTSGE CORP.

By \_\_\_\_\_  
Dorothy A. Nelson  
Vice President

Registered address:  
~~701 Fifth~~925 Fourth Avenue, Suite ~~5000~~2900  
Seattle, WA 98104-~~7078~~

